

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Attleboro Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 10, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and a modification to the fully generational mortality assumption.

This schedule completes the amortization of the unfunded actuarial liability (UAL) in FY37. Although this is allowable, our recommendation for the past several years has been for systems to establish funding schedules that complete the amortization of the UAL by FY35 at the latest. This allows systems some flexibility in the event of another market downturn. There are 18 systems that have amortization schedules that extend beyond FY35 and most of these complete the amortization by FY36. We believe the FY35 date would be attainable with modest adjustments to the schedule. We are available to discuss alternative ways a FY35 schedule could be accomplished.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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**ATTLEBORO RETIREMENT SYSTEM**  
**FUNDING SCHEDULE with 3(8)(C) - 16 years: 5.86% increases**  
MP-2019; 7.25% Discount Rate

Fiscal Year	Normal Cost	Unfunded Liability*	Funding		Schedule Contribution**	% Change
			Amortization of UAAL	Net 3(8)(c) Payments		
2022	2,532,618	101,110,664	6,123,980	185,297	8,841,894	5.86%
2023	2,646,586	101,873,220	6,528,147	185,297	9,360,030	5.86%
2024	2,765,682	97,644,766	6,957,548	185,297	9,908,527	5.86%
2025	2,890,138	97,262,041	7,413,732	185,297	10,489,167	5.86%
2026	3,020,194	91,010,370	7,898,341	185,297	11,103,832	5.86%
2027	3,156,103	89,137,651	8,413,117	185,297	11,754,517	5.86%
2028	3,298,127	86,577,063	8,959,907	185,297	12,443,331	5.86%
2029	3,446,543	83,244,400	9,540,670	185,297	13,172,511	5.86%
2030	3,601,638	79,047,250	10,157,485	185,297	13,944,420	5.86%
2031	3,763,711	73,884,273	10,812,554	185,297	14,761,563	5.86%
2032	3,933,078	67,644,418	11,508,215	185,297	15,626,590	5.86%
2033	4,110,067	60,206,078	12,246,945	185,297	16,542,308	5.86%
2034	4,295,020	51,436,171	13,031,371	185,297	17,511,688	5.86%
2035	4,488,296	41,189,148	13,864,280	185,297	18,537,873	5.86%
2036	4,690,269	29,305,921	14,748,626	185,297	19,624,192	5.86%
2037	4,901,331	15,612,699	15,612,699	185,297	20,699,327	5.48%
2038	5,121,891	-	-	185,297	5,307,188	-74.36%

**Amortization of Unfunded Liability as of July 1, 2021**

Year	Type	Original Amort.	Percentage	Original #	Current Amort.	Years
		Amount	Increasing	of Years	Amount	Remaining
2022	Fresh Start	N/A	N/A	16	N/A	16

\* Includes recognition of the following asset gains/(losses) in Fiscal 2024 and 2026:

2024	\$4,612,825
2026	\$5,351,941

\*\* Contribution is set to be the amount resulting from a 5.86% increase on the prior year's contribution, with 5.86% increases thereafter. The contribution in FY2037 increases by 5.48%.